Remarks at Palm Beach Round Table

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Mr. Daley and members of the Round Table, I just can't tell you how pleasing it is for me to be back after a lot of years. And, once again, I have to leave too soon. Some of you who may have been here ten years ago will recall that we had to hustle home because the hostage rescue attempt was about to take place and that interfered with enjoying the wonders of Palm Beach. But it's good to see so many friends here and to say how much we enjoy seeing you when you come to visit us in Washington. The one I'm really most pleased to see is one who is very dear to me, Sophia Casey. We always look forward to seeing her when she comes out to visit the Agency when she is in Washington, and she brings back very many warm memories.

When I came down to participate in a program with Admiral Turner and Marvin Stone,* Stan Turner and I, who were classmates at Amherst, decided that the time had come to make it very clear that the FBI and the CIA were going to work together. It hadn't always been so. And we played tennis together to show that we got along and we did a number of other things to make the point. And relations really did improve. When Bill Casey came along, they got even better. We traveled together, we did a lot of things together. We even played golf together, and for a dedicated tennis player like me, that's a major concession to make to a very fine and gifted person. And Sophia, we have a lot of great memories, don't we?

It is still early in the year and early in the term of our forty-first President. Yet President Bush already faces a host of international developments that affect U.S. interests—from Central America to Central Africa, and from insurgency to narcotics trafficking. The President is going to rely on the Intelligence Community for accurate, timely, and objective information on all of these developments and what they mean for our national interests. Another friend of yours and a good friend of mine, General Vernon Walters, had a comment that I think tells us a lot about intelligence. He said the American people have always had some ambivalence about intelligence. When they feel threatened they want a lot of it, and when they don't they somehow think the whole thing may be a bit immoral.

Well, Dick Walters is right and I think right now the American people want a whole lot of intelligence. They want it carefully analyzed and presented in a timely and objective way so that the President and other policymakers in this country can make wise decisions for our national security.

* Admiral Stansfield Turner, former Director of Central Intelligence, and Marvin Stone, former editor of *U.S. News and World Report*.

This afternoon I would like to concentrate on two very important issues for the President and for the country—what is going on in the Soviet Union and what we have recently seen develop with the spread of chemical weapons and ballistic missiles. We are witnessing many changes in the traditional threat posed to us by the Soviets. And, at the same time, we are seeing an increase in the threat posed to the United States and, indeed, to world peace by the production and use of chemical weapons. I would also like to discuss with you some of the changes we have undergone at the Central Intelligence Agency during the past two years—changes that I believe are healthy, productive, and confidence building.

The Soviet Union is—and will continue to be—the primary focus of our intelligence collection and analysis. Its military capability, its efforts to increase global influence, and its aggressive intelligence activities are still serious threats to United States interests.

Gorbachev's efforts to reform his country have not fundamentally altered these truths. In fact, they probably make the Soviet Union of even greater concern to American intelligence.

Like many of you, I have been fascinated by what is occurring in the Soviet Union. Gorbachev has stirred up the stew—bringing new life and dynamism to Soviet politics and pushing a series of reforms that none of us could have foreseen five years ago.

The forces of democracy are making some political and economic inroads there—especially in the Baltic republics. Although the USSR is certainly not headed toward democracy as we know it, today's Soviet leaders appear to understand that their system is faltering largely because it has not given the people enough breathing room—room to inquire and room to unlock creativity.

Change is occurring in the area of foreign policy as well. This Soviet leader has signaled by word and deed that he wants the USSR to be a more active and effective player on the world scene. He is more willing than past Soviet leaders to reevaluate the costs and benefits of Soviet foreign policies, to make decisions on that basis, and even, on occasion, to head off in new directions. For example, the Soviets did, in fact, withdraw from Afghanistan, reversing a policy that had been divisive and costly. And they are eliminating a whole class of nuclear weapons under the INF treaty—a process that includes unprecedented on-site inspections of Soviet military facilities.

Gorbachev's announcement of unilateral troop withdrawals at the United Nations last December illustrates his willingness to pursue radically different approaches even as it highlights the challenges that these new approaches present to the Western alliance. Two weeks ago the United States and its allies

reconvened negotiations with the Warsaw Pact about conventional forces in all of Europe, including the European USSR. The Soviets are making it clear that they are prepared to reduce the advantage that they hold in some elements of ground forces. However, they are demanding that, in return, the West reduce what the Soviets claim is an advantage in air forces. These negotiations present challenges—but also opportunities—for the West to maintain unity within our alliance and yet work with the Warsaw Pact to make real reductions in conventional forces.

The dramatic nature of these policy changes clearly has provoked controversy within the Soviet Union. A major power struggle continues between reformers, who believe radical changes are necessary to make the Communist system work, and conservatives, who fear such changes could destabilize the very system they are trying to save. The recently concluded Central Committee plenum dealing with Soviet agriculture provided clear evidence of this clash of views. Some of you, no doubt, have watched the crowds cheering Yeltsin, who is complaining that reform is not taking place fast enough. The ultimate outcome of struggles such as this one will affect how far and how fast reform progresses, the extent to which central authority is relaxed, the general welfare of the individual, and how competitive the Soviet system will be over the next few decades.

There are strong reasons to question whether a system designed to centralize authority, maximize government control over its people, and concentrate resources on building up the nation's military can become more decentralized and democratic in its decisionmaking and more solicitous of its people.

Nationalist unrest is currently testing the Soviet system's ability to make reforms work. Communal unrest in Armenia and Azerbaijan has forced Moscow to put the region in a virtual state of martial law on a semipermanent basis. Last November, the Communist leadership of Estonia declared the republic "sovereign"—an unthinkable development even a year ago. In Lithuania, both the Popular Front organization and the Roman Catholic Church have publicly pledged to work for sovereignty. These developments are putting increasing pressure on Gorbachev. It is by no means certain—and many doubt it—that minority aspirations for autonomy or even independence can be squared with Moscow's clear need for control.

But if the last three years have taught us anything at all, it is that Gorbachev is a highly skilled politician. Only last fall, he successfully undertook the most sweeping overhaul of the top party leadership since Khrushchev ousted his chief opponents in 1957. We cannot rule out the possibility that he can, ultimately, pull off a "revolution from above" that actually increases authority below.

The Soviet reform effort presents the U.S. Intelligence Community with some very formidable challenges. We are going to have to pay closer attention than ever to the political struggles and issues being raised as Gorbachev challenges the established interests of individuals and institutions within his country, particularly the party bureaucracy. And we will pay particular attention to the nationalist groups in the Baltic and in other parts of the USSR who are increasingly testing the limits of glasnost.

We must also help the policymaker sort out how reform will affect Soviet military and economic capabilities and—even more difficult—how it may change Moscow's foreign policy.

We must manage the information explosion that glasnost has produced which, although very welcome to us, challenges us to sort out what is important and what is not, what is real versus what Moscow wants us to hear. We are sorting through an incredible volume of position papers and public statements that have never been available to us in the past.

We must provide intelligence analysis for U.S.-Soviet arms control talks. As these negotiations progress, the Intelligence Community will be increasingly asked to assess Soviet motivations and monitor Soviet compliance with the provisions of agreements.

And the amount of support required is tremendous. The INF treaty has required the United States to monitor about 120 facilities declared by the Soviets. And monitoring the START treaty, which is being negotiated in Geneva, could involve as many as 2,500 weapon locations spread throughout the Soviet Union.

Monitoring agreements on strategic weapons, however, would be relatively simple compared to monitoring an agreement to reduce conventional forces. Our government might have to monitor an area encompassing about 10 million square kilometers—over 6 million square miles—and literally thousands of Warsaw Pact units and hundreds of thousands of tanks, armored vehicles, artillery pieces, and other kinds of equipment. The cost in money and manpower could be staggering—and yet this monitoring functions as an indispensable part of Congress's thinking as it approaches ratification of any such treaty.

Yet whatever arms control agreements we make with the Soviets, our relationship is likely to remain essentially adversarial. Policymakers will depend on the Intelligence Community to make quick and accurate assessments—and even to anticipate Gorbachev's sometimes unorthodox and unexpected initiatives. And I think you have seen again and again how these unilateral initiatives have kept us reacting to a highly innovative and challenging individual.

But the Soviet Union is certainly not our only focus. Another major question we are considering is what lessons Iran and Iraq—and the rest of the world—have learned from their bitter conflict, a conflict that involved the first sustained use of chemical weapons since World War I.

After the First World War, the use of chemical weapons was outlawed by signers of the 1925 Geneva Protocol. During World War II—even during the most desperate battles—both sides refrained from using chemical weapons—weapons that Winston Churchill referred to as "that hellish poison."

The Iran-Iraq war ended that restraint and set a dangerous precedent for future wars. The Intelligence Community has considerable evidence that Iraq used chemical weapons against Iran and also against Iraqi Kurds. Iran, too, employed chemical weapons against Iraqi troops.

I'm sure you've read many accounts during the last several months about the uses and effects of chemical weapons. You may know, too, that Congress is very concerned about chemical weapons proliferation. Just this past month I testified before the Senate Foreign Relations Committee and the Senate Governmental Affairs Committee on the production and use of chemical weapons. These weapons are thought by some to offer a cheap and readily obtainable means of redressing the military balance against more powerful foes. Some see them as the poor man's answer to nuclear weapons, and more than 20 countries may be developing chemical weapons.

Mustard gas, a terrible weapon first used in World War I, is one of the favored chemical agents for several reasons—its relative ease of manufacture, its long life in storage and on the battlefield, and its ability to incapacitate those exposed to it.

Some countries are developing nerve agents. These agents, though more difficult to manufacture, can cause death in minutes by attacking the brain and nervous system. Other nations may use common industrial chemicals such as cyanide and phosgene. Cyanide prevents the blood from carrying oxygen, while phosgene, widely used in making plastics, can destroy the lungs. And others are working to develop something even more horrible—biological weapons.

The Intelligence Community is going to continue to monitor the ability of foreign countries to develop and produce chemical weapons and their incentives for using such weapons. And with the increase of ballistic missiles in the Third World, we must now be alert to attempts by Third World countries to arm these missiles with chemical weapons. With the combination of chemical weapons and ballistic missiles, no major city in the Middle East would be immune from attack.

The proliferation of chemical weapons affects the prospects for peace and stability in regions such as Southeast Asia and the Middle East. The nations of Iraq, Libya, Iran and Syria are of particular concern due to their use of chemical weapons or their association with international terrorist activities.

Intelligence support is vital to the success of United States efforts to prevent the use of chemical weapons. Our intelligence supports government efforts to restrict the export of chemicals and of ballistic missile technology that can be used to make chemical weapons.

The United States also participates in the Geneva Conference on Disarmament, an effort by 40 nations to negotiate a chemical weapons ban. And in early March, Secretary of State Baker proposed that we bring together governments and representatives of the international chemical industry to discuss the growing increase in international trade of the chemicals and technology needed to produce chemical weapons.

Assessing the proliferation of chemical weapons is one of the most difficult challenges we face in the Intelligence Community. Many of these buildings look like ordinary fertilizer plants or pharmaceutical operations, and indeed can be converted back and forth in a matter of 24 hours, as conditions warrant. I believe this is one of our most important tasks, and we will continue to provide policymakers with accurate and timely information on this issue. I think the identification of the activity in Libya was one of the great intelligence achievements of the last several years.

So far, I've talked about two concerns that will continue to be at the top of the Intelligence Community's agenda—what's going on in the Soviet Union and the proliferation of chemical weapons. Now, if I may, I'd like to talk a bit about the changes that have occurred over the last 22 months—changes that have strengthened the Central Intelligence Agency and helped to build a higher level of confidence in us and in our work.

At this time two years ago, the CIA was at the center of a storm that threatened to destroy confidence in our role in American government and to shatter the trust that is so indispensable to our mission. Throughout 1987, we were subjected to the most searching inquiry into our part in the Iran-Contra affair. As most of you know today, the center of responsibility for that exercise was in the National Security Council, but we came in for enormous heat and were handicapped by the loss of a leader able to adequately defend us.

At the end of 1987, I sent a note to all CIA employees that said: "If ever a time in the 40 years of the Central Intelligence Agency required the talent and energy of those who serve, this has been that time." And a year later, I can report

that our people have responded, and we have together taken the Agency through one of the most challenging eras in our history.

We've also improved our relations with the Congress. And we've done this by establishing clear guidelines—guidelines that are workable and well understood and have been scrupulously followed.

We have established policies to ensure that our intelligence assessments remain objective and that analysts are protected against the pressures of political influence. And I am particularly pleased to say that in the time I have been at CIA, I haven't heard anyone accuse us of "cooking the books."

I'm also proud of what we have done to strengthen the review of covert activities—the special capability that our Presidents have enjoyed during every Presidency in my lifetime to implement in a covert way important aspects of our foreign policy that cannot be done overtly. Under the guidelines that we've established, the Agency's senior managers must review all proposals for covert action—which only accounts for about three percent of our resources, but about 98 percent of our problems. The senior managers must review all proposals that are to be forwarded to the National Security Council. And I've asked that they apply, in addition to practical logistical tests, tests designed to assure that each program can be done, is consistent with our declared foreign policy, and would make sense to the American people if they were to become aware of it.

Our relations with Congress have always involved balancing the need for a candid relationship with the need—indeed, my personal responsibility—to protect intelligence sources and methods. To help our officers balance these demands, I have established guidelines to govern our dealings with the Congress. And I've made it known that in working with the Congress there is no excuse for deception.

During the Iran-Contra period of investigation, some of our officers, although well-meaning, were trapped by the questions and did not know how to answer and were charged with being disingenuous. Agency officials now who brief on the Hill are authorized to demur rather than skirt the issues that they are not authorized to discuss. Sometimes these questions then come all the way back up to me and I have to work them out with the chairman and ranking minority member of the oversight committees. But we have not left the Congress feeling that anyone in CIA has been disingenuous with them. As a result, our relationship with the Congress will continue to improve.

It's my firm view that truth builds trust. But there are many things that we cannot safely discuss in large forums of hundreds of staffers and committee members. We have to work these problems out in an atmosphere in which everything we say is true but we do not always answer everything we're asked.

An officer should not go around a question, he should simply say, "I'm not authorized to answer that question, but I'll take it up at Headquarters." And I think this approach is working. I've got some beautiful bruises and lost a few battles, but we have protected our sources and our methods.

I want to briefly note two other things that I've been working on that are of great importance to current issues. The formation of a Counterintelligence Center at the Agency now provides a forum for coordinating the counterintelligence efforts of the Intelligence Community to do a more effective job in a world in which the Soviets, while talking detente, are far more aggressive in pursuing clandestine intelligence collection in this country and around the world than ever before. And I think we're out in front of the curve on the narcotics issue. With the establishment of a Counternarcotics Center in which the expertise from all the various, diverse parts of the Intelligence Community is gathered, we can, in a centralized way, make a major contribution to Bill Bennett and to all those who are seeking to deal with this modern scourge.

I would like to make one final point about our work, and it is that the intelligence we provide to policymakers on the Soviet Union, chemical weapons, and many other issues is not easy to come by. In fact, it sometimes comes at great cost to the men and women of American intelligence.

Since I was appointed Director in May 1987, I have visited many of our intelligence facilities in this country and a great many nations around the world. I have observed firsthand the success of our operations in managing a myriad of complex issues—issues so complex that we often rely upon highly sophisticated technical systems—satellites in the sky and so on. But, our most important resource in the Intelligence Community has always been—and will continue to be—our people. It is their creativity, their determination, and their courage that spell the difference between success and failure. I've found that the men and women we have been able to attract into intelligence are not particularly concerned about fame or fortune, but they find in this important work a way to express their highest aspirations for a safer and a better world.

With such people we can continue to provide the intelligence that our policymakers need, observing the rules of oversight and accountability that both the Congress and the American people have a right to expect. This is what you would want of us, what all Americans would want of us, and we are doing our very best to supply it.